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United States  
Department of  
Agriculture

Office of  
Information

# Selected Speeches and News Releases

April 27 - May 4, 1989

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# News Releases

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## USDA ANNOUNCES PREVAILING WORLD MARKET PRICE FOR UPLAND COTTON

WASHINGTON, April 27—Under Secretary of Agriculture Richard T. Crowder today announced the prevailing world market price, adjusted to U.S. quality and location (adjusted world price), for Strict Low Middling (SLM) 1-1/16 inch (micronaire 3.5-4.9) upland cotton (base quality) and the coarse count adjustment in effect from 12:01 a.m. Friday, Apr. 28, through midnight Thursday, May 4.

Since the Adjusted World Price (AWP) is above the 1987 crop and 1988 crop base quality loan rates of 52.25 and 51.80 cents per pound, respectively, the loan repayment rate for 1987 crop and 1988 crop upland cotton during this period is equal to the respective loan rates for the specific quality and location.

Because the loan repayment rate for 1988 crop upland cotton in effect during this period is above the established loan rate, loan deficiency payments are not available for 1988 crop upland cotton sold during this period.

The AWP will continue to be used to determine the value of upland cotton that is obtained in exchange for commodity certificates.

This period represents Week 2 of the 6-week transition period from using current shipment prices to using forward shipment prices in the AWP calculation. The procedure was adopted to avoid a dramatic change in the AWP that could occur with no transition period, due to differences between new and old crop price quotes.

For Week 1 and Week 2, the Northern Europe price =  $(2 \times \text{Northern Europe current price}) + (\text{Northern Europe forward price})/3$ . Similarly, the Northern Europe coarse count price =  $(2 \times \text{Northern Europe coarse count current price}) + (\text{Northern Europe coarse count forward price})/3$ . In calculating the adjustment to average U.S. spot market location, Thursday's current shipment prices for U.S. Memphis territory and the California/Arizona territory as quoted for Middling 1-3/32 inch cotton C.I.F. northern Europe were used.

Based on data for the week ending Apr. 27, the AWP for upland cotton and the coarse count adjustment are determined as follows:

**Adjusted World Price**

Northern Europe Price ..... 73.99

**Adjustments:**

Average U.S. spot market location ..... 12.07

SLM 1-1/16 inch cotton ..... 2.00

Average U.S. location ..... 0.42

Sum of Adjustments ..... -14.49

**ADJUSTED WORLD PRICE ..... 59.50 cents/lb.**

**Coarse Count Adjustment**

Northern Europe Price ..... 73.99

Northern Europe Coarse Count Price ..... -68.41

5.58

Adjustment to SLM 1-inch cotton ..... -4.15

**COARSE COUNT ADJUSTMENT ..... 1.43 cents/lb.**

The next AWP and coarse count adjustment announcement will be made on May 4.

Charles Cunningham (202) 447-795

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**USDA ISSUES FIRST PERMIT FOR FIELD TESTS OF GENETICALLY ENGINEERED POTATOES**

WASHINGTON, April 27—The U.S. Department of Agriculture is issuing a permit to the Monsanto Agricultural Co., St. Louis, Mo., for the first field testing of two genetically engineered potato varieties. If successful, the new varieties will offer growers resistance to three disease-causing plant viruses.

Monsanto will conduct field trials of both varieties near Jersey, Ill. One of the disease-resistant varieties also will be tested in Nampa, Idaho. Testing in both states will begin in late April and extend through the summer.

"The experimental design of these trials is sound and should provide important scientific data without causing any significant impact on the environment," said James W. Glosser, administrator of the USDA's Animal and Plant Health Inspection Service.

The three pathogens, leaf roll virus, virus x and virus y, infect potato crops causing yellowing and stunting of plants. Depending upon conditions, the viruses can cause a five to 10 percent yield loss or more as well as a drop in product quality.

"If successful, the trials could lead to a potato that would resist these viral diseases. This is particularly noteworthy since potato producers have no available chemical treatments effective against these diseases," said Glosser.

Growers currently try to control the viruses by using insecticides to control the insects that spread them. "So virus-resistant potatoes could reduce economic losses and improve environmental conditions," Glosser said.

The Monsanto potato varieties were developed by taking genetic material from the viruses and inserting it into the potato. In greenhouse studies, the Monsanto scientists found that this material produced proteins in the potatoes, which protected them from disease.

APHIS has developed an environmental assessment examining the methods and data to be used in the field trials and has found no significant environmental impacts associated with the tests. A copy of the environmental assessment can be obtained by contacting Mary Petrie, USDA, APHIS, BBEP, Room 847 Federal Building, 6505 Belcrest Road, Hyattsville, Md. 20782, (301) 436-7612.

Anita Brown (301) 436-7799

Arthur K. Homann (202) 447-9213

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## **USDA WARNS U.S. RABBIT INDUSTRY ABOUT VIRAL HEMORRHAGIC DISEASE**

**WASHINGTON**, April 28—The U.S. Department of Agriculture is warning the U.S. rabbit industry and people who raise rabbits as pets to be on the alert for viral hemorrhagic disease, a highly infectious disease

of rabbits and hares. The disease poses no risk to humans or other animals.

According to James W. Glosser, administrator of USDA's Animal and Plant Health Inspection Service, the disease has not been detected in the United States, but has been reported in domestic rabbits in 10 Mexican states and the Mexican Federal District.

This is the first report of VHD in the Western Hemisphere. So far, there is no evidence that the disease has spread to wild rabbits or hares in Mexico. APHIS is evaluating the threat of the disease to domestic and wild rabbits and hares in the United States and is continuing to monitor the situation.

"VHD can be transmitted among domestic rabbits by contact with infected rabbits, rabbit products and contaminated objects such as cages, feeders and clothing, or by insects or rodents," said Glosser. "The virus also may be carried short distances through the air."

Glosser said the rabbit industry and pet owners can help reduce the possibility of introducing VHD into the United States by preventing their rabbits from coming into contact with imported rabbit meat, pelts, infected rabbits, contaminated cages, feeders, clothing or other objects from VHD-affected countries that might carry the virus.

"The rabbit industry, wildlife biologists, veterinarians and the public should be aware of the threat of VHD and report any sudden loss of rabbits to their state veterinarian or to their nearest USDA-APHIS office," said Glosser.

VHD affects the respiratory system of domestic rabbits and hares. The incubation period can be as short as two to three days. Once introduced, the disease can spread rapidly, affecting up to 80 percent of a domestic rabbitry, and killing up to 90 percent or more of the rabbits that become ill. Rabbits infected with the disease that do not die can still be carriers of VHD.

Glosser said if VHD should become established in the United States, it could have a serious impact on the rabbits and hares found throughout North America. Rabbits are important food for many predators including foxes, coyotes, bobcats, owls, hawks and eagles. Reductions in rabbit populations could result in increases in predator damage to domestic livestock, poultry and small game.

Producers receive about \$10 million a year from the sale of rabbit meat and pelts in the United States. Rabbits raised for research have an estimated value of \$15 million a year in the United States.

Viral hemorrhagic disease was first reported in rabbits in 1984 in the People's Republic of China. Since then, VHD has been reported in parts of Asia and Europe, including Czechoslovakia, East and West Germany, France, Italy, Korea and Spain.

The rabbit industry, veterinarians and the public can obtain a free fact sheet on VHD by writing: Viral Hemorrhagic Disease of Rabbits, USDA-APHIS, Room G-110, Federal Building, Hyattsville, Md. 20782.

Marlene Stinson (301) 436-7255

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## **SOIL CONSERVATION SERVICE OFFERS ON-LINE INFORMATION**

WASHINGTON, April 28—The U.S. Department of Agriculture's Soil Conservation Service has joined 12 other USDA agencies in distributing current information through the Electronic Dissemination of Information (EDI) service. EDI is a computerized, on-line system used by over 36 news and information services, and private commercial firms, as well as other government agencies.

"EDI will allow our agency to get information to the public in a more timely manner than ever before," SCS Chief Wilson Scaling said. "The system also provides an opportunity for SCS to make information, data and reports available to a much wider audience than in the past."

Categories of SCS information that will be available are: congressional testimony, popular publications, regional news releases, resource reports, short duration natural phenomenon reports, Soil and Water Conservation News magazine, snowpack reports, speeches, western water supply forecasts and wind erosion reports.

"Today's conservation efforts are of utmost importance and we want the public to be aware of these efforts," Scaling said. "The EDI service will provide farmers, ranchers, reservoir managers and other land users with current information that will benefit their land and resources."

With the system, SCS information can be accessed by personal computers and word processors equipped with a modem. The information quickly becomes available to subscribers anywhere in the world. Wire services, computerized news and information services and commercial firms are then able to repackage the information for their own use.

The EDI service carries about 500 categories of reports monthly, including statistical and analytical information on crops and livestock; data on trade and new products; daily market news information, including press releases, speeches, testimony, and press conference transcripts; shipping and other transportation data; and research into human and animal nutrition.

Current information is also available on "USDA Online," a secondary computer information service operated by USDA.

Kathy Gugulis (202) 447-9149

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## **USDA PROPOSES REVISING BLACK STEM RUST REGULATIONS**

WASHINGTON, April 28—The U.S. Department of Agriculture is proposing changes in regulations regarding the movement of plants that can transmit black stem rust, a serious fungal disease of small grains. Some plants of the genera *Berberis*, *Mahoberberis* and *Mahonia*—popular landscape plants—will now be able to move without permits to areas that are not economically threatened by the disease.

Additionally, former eradication areas, now 98-percent free of susceptible hosts, will become "protected areas" and USDA will continue to regulate the movement or entry of disease-susceptible plants, said James W. Glosser, administrator of USDA's Animal and Plant Health Inspection Service.

One of the most destructive small-grain diseases in the United States, black stem rust can only complete its life cycle by alternating between two sets of plants. It infects plants from the grass family, including small grains such as wheat, oats, barley and rye. However, it reproduces on susceptible species of *Berberis*, *Mahoberberis* and *Mahonia*—members of the barberry family. Both sets of plants are necessary for the disease to complete its life cycle.

In 1918, a cooperative federal-state program was begun to eliminate black stem rust in states that grow small grains. The goals were to develop resistant grain-crop varieties, to eliminate susceptible *Berberis*, *Mahoberberis* and *Mahonia* in affected states, and to secure progress by regulating the interstate movement of these alternate hosts.

Eradication of the susceptible alternate hosts was achieved in 1981 and research has produced black stem rust resistance or near-resistance in most commercial varieties of small grains. However, sexual recombination of the fungus on *Berberis*, *Mahoberberis* and *Mahonia* could undo this success by developing new, virulent strains of the fungus. Therefore, these hosts will continue to be prohibited in areas where the disease has economic consequences, while commercial sales will be made easier in states where protection from black stem rust is unnecessary.

Protected areas include Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Montana, Nebraska, North Dakota, Ohio, Pennsylvania, South Dakota, West Virginia, and Wisconsin and certain counties within Washington.

These proposed regulation changes will be published in the April 28 Federal Register. Comments regarding the changes should be postmarked by May 15 and sent in triplicate to: Helene R. Wright, Chief, Regulatory Analysis and Development, APHIS, USDA, Room 866, Federal Building, 6505 Belcrest Road, Hyattsville, Md. 20782.

Comments should refer to docket number 88-118. All comments received by USDA may be viewed between 8 a.m. and 4:30 p.m., Monday through Friday, at Room 1141-South, 14th Street and Independence Avenue, S.W., Washington, D.C.

Anita Brown (301) 436-7799

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## **USDA RELEASES COST OF FOOD AT HOME FOR MARCH**

WASHINGTON, May 1—Here is the U.S. Department of Agriculture's monthly update of the weekly cost of food at home for March 1989:

*Table on next page.*

## Cost of food at home for a week in March 1989

	Food plans (In Dollars)		
	Thrifty	Low- cost	Moderate cost
			Liberal
<b>Families:</b>			
Family of 2 (20-50 years)	44.20	55.70	68.80
Family of 2 (51 years and over)	41.80	53.50	66.00
Family of 4 with preschool children	64.30	80.00	97.80
Family of 4 with elemen- tary schoolchildren	73.70	94.00	117.60
			141.70
<b>Individuals in four-person families:</b>			
<b>Children:</b>			
1-2 years	11.60	14.10	16.40
3-5 years	12.50	15.30	18.90
6-8 years	15.30	20.30	25.40
9-11 years	18.20	23.10	29.70
			34.40
<b>Females:</b>			
12-19 years	18.90	22.70	27.50
20-50 years	19.10	23.70	28.80
51 and over	18.80	23.00	28.50
			34.00
<b>Males:</b>			
12-14 years	19.00	26.20	32.70
15-19 years	19.70	27.10	33.60
20-50 years	21.10	26.90	33.70
51 and over	19.20	25.60	31.50
			37.80

USDA's Human Nutrition Information Service computes the cost of food at home for four food plans—thrifty, low-cost, moderate-cost, and liberal.

James T. Heimbach, Ph.D., acting administrator of HNIS, said the plans consist of foods that provide well-balanced meals and snacks for a week.

In computing the costs, USDA assumes all food is bought at the store and prepared at home. Costs do not include alcoholic beverages, pet food, soap, cigarettes, paper goods, and other nonfood items bought at the store.

"USDA costs are only guides to spending," Heimbach said. "Families may spend more or less, depending on such factors as where they buy their food, how carefully they plan and buy, whether some food is produced at home, what foods the family likes, and how much food is prepared at home."

"Most families will find the moderate-cost or low-cost plan suitable," he said. "The thrifty plan, which USDA uses to set the coupon allotment in the food stamp program, is for families who have tighter budgets. Families with unlimited resources might use the liberal plan."

To use the chart to estimate your family's food costs:

—For members eating all meals at home—or carried from home—use the amounts shown in the chart.

—For members eating some meals out, deduct 5 percent from the amount shown for each meal not eaten at home. Thus, for a person eating lunch out 5 days a week, subtract 25 percent, or one-fourth the cost shown.

—For guests, add 5 percent of the amount shown for the proper age group for each meal.

Costs in the second part of the chart are for individuals in fourperson families. If your family has more or less than four, total the "individual" figures and make these adjustments, because larger families tend to buy and use food more economically than smaller ones:

- For a one-person family, add 20 percent.
- For a two-person family, add 10 percent.
- For a three-person family, add 5 percent.
- For a fiveor six-person family, subtract 5 percent.
- For a family of seven or more, subtract 10 percent.

Details of the four family food plans are available from the Nutrition Education Division, HNIS, USDA, Federal Building, Hyattsville, Md. 20782.

Johna Pierce (301) 436-8617

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## CCC LOAN INTEREST RATE FOR MAY 9-1/2 PERCENT

WASHINGTON, May 1—Commodity loans disbursed in May by the U.S. Department of Agriculture's Commodity Credit Corporation will carry a 9-1/2 percent interest rate, according to Milton Hertz, CCC executive vice president.

The 9-1/2 percent rate is the same as in effect for April and reflects the interest rate charged CCC by the U.S. Treasury in May.

Robert Feist (202) 447-6789

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## USDA TO ISSUE PERMIT FOR FIELD TESTING OF INSECTICIDAL BACTERIUM IN CORN

WASHINGTON, May 2—The U.S. Department of Agriculture has issued a permit to Crop Genetics International, Hanover, Md., allowing field testing of a bacterium genetically engineered to produce a protein toxic to certain destructive insect pests.

CGI scientists will study the effects of the bacterium on corn plants as it did last year at two Maryland sites. This year the trials will concentrate on effects on corn yield, vigor and nutritional content across a wider range of environmental conditions. Tests will begin this month in Illinois, Maryland, Minnesota and Nebraska. Researchers will introduce the bacterium into the seeds rather than into mature plants as they did last season. The amount of the bacterium in the different plant parts will then be monitored.

"The Environmental Protection Agency and USDA have collaborated to oversee these trials," said James W. Glosser, administrator of USDA's Animal and Plant Health Inspection Service. "Both agencies are satisfied that the experiments are environmentally safe."

Geneticists engineered the bacterium, *Clavibacter xyli* (subspecies

cynodontis), to carry a gene for a protein that becomes toxic when ingested by caterpillars. The altered bacterium does not pose a threat to humans, wildlife or most non-caterpillar insects. The insecticidal property was transferred to *C. xyli* from *Bacillus thuringiensis*, a common soil bacterium that has been used as a biological control agent against insect pests for two decades.

APHIS has prepared an environmental assessment that examines the effects on the environment associated with the CGI field trials and has made a finding of no significant impact.

Copies of the document may be obtained from: Linda Gorden, USDA, APHIS, BBEP, Room 843A Federal Building, 6505 Belcrest Rd., Hyattsville, Md. 20782; telephone (301) 436-5961.

Anita K. Brown (301) 436-5931

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## **USDA ANNOUNCES PREVAILING WORLD MARKET RICE PRICES**

WASHINGTON, May 2—Under Secretary of Agriculture Richard T. Crowder today announced the prevailing world market prices of milled rice, loan rate basis, as follows:

- long grain whole kernels, 11.17 cents per pound;
- medium grain whole kernels, 10.36 cents per pound;
- short grain whole kernels, 10.28 cents per pound;
- broken kernels, 5.59 cents per pound.

Minimum loan repayment rates for 1987 crop loans are the higher of the world price or 50 percent of the loan rate. For 1988 crop rice, the minimum repayment rates are the higher of the world price or 60 percent of the loan rate.

Based upon these prevailing world market prices for milled rice, rough rice world prices are estimated to be:

- long grain, \$6.91 per hundredweight;
- medium grain, \$6.49 per hundredweight;
- short grain, \$6.19 per hundredweight.

The prices announced are effective today at 3:00 P.M. EDT. The next scheduled price announcement will be made May 9 at 3:00 P.M. EDT, although prices may be announced sooner if warranted.

Gene Rosera (202) 447-7923

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## AMBASSADOR HILLS AND SECRETARY YEUTTER ANNOUNCE PROGRESS ON HORMONES DISPUTE

WASHINGTON, May 3—U.S. Trade Representative Carla Hills and Secretary of Agriculture Clayton Yeutter announced today they have reached tentative agreement with the Commission of the European Communities on an interim measure in the beef hormones dispute to allow partial resumption of trade. The two sides have agreed to accept the initial recommendations of the U.S.-EC Hormones Task Force, including an interim measure operated by the European Community that will enable U.S. producers of meat not treated with hormones to ship to Europe.

This interim measure will not resolve the trade problem. A full 85 percent of U.S. meat exports to the EC have been "variety meats"—items such as livers, tongues and kidneys. The majority of trade in these products will not be covered by the interim measure. Therefore, the United States and the EC also agreed that the Task Force should continue its work beyond May 4. The two sides will review progress made by the Task Force before June 15.

"While this measure does not resolve the trade problem or the larger issue of principle, it is a positive step toward de-escalating the hormones dispute," Hills said. "To the extent that U.S. beef and beef products are shipped to the EC under this measure, we will rereduce the U.S. retaliatory measure on imports from the EC. Hopefully, future Task Force discussions will produce additional measure that will allow a full resumption in trade. U.S. beef is entirely safe, so there is no justification for a ban on our products.

Secretary Yeutter said "Our position on the EC hormones ban remains unchanged. We believe that this ban is an unjustifiable restriction on trade, inconsistent with the EC's obligations under international trade rules. While we cannot accept the ban, we do not wish to stand in the way of producers who are willing and able to meet the EC's requirements."

The Meat Hormones Task Force was created Feb. 18 at a meeting between Ambassador Hills, Secretary Yeutter, EC Vice President Andriessen and EC Agriculture Commissioner MacSharry.

Kelly Shipp (202) 447-4623

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# Backgrounders

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## EC MEAT HORMONES BAN

In December 1985, the EC decided to ban the sale or import of meat from animals treated with growth hormones. This ban applied to imports effective Jan. 1, 1989. The ban has halted U.S. exports of meat and meat products to the EC valued at \$96 million annually.

The hormones ban was announced as a health measure. However, the U.S. Food and Drug Administration and a prestigious panel of international scientific experts have concluded that the use of such hormones poses no health hazards. Moreover, the EC permits producers in Europe to treat beef with hormones for so-called "therapeutic purposes."

There is no credible scientific evidence that U.S. production methods produce meat that is harmful. On the contrary, use of growth hormones as approved by the Food and Drug Administration produces beef that is leaner than beef grown without hormones. In fact, meat from steers implanted with hormones contains residue levels thousands of times lower than the level of naturally occurring hormones found in the meat from cows.

The United States has been seeking since July 1987 to resolve this dispute through the General Agreement on Tariffs and Trade. However, the EC has blocked a U.S. request for formation of a panel of experts under the GATT Committee on Technical Barriers to Trade to examine the EC hormones ban.

In response to implementation of the EC hormones ban, on Jan. 1, 1989, the United States imposed 100 percent tariffs on imports from the EC of \$96 million in boneless beef, ham, prepared tomatoes, tomato sauce, instant coffee, fruit juices, fermented alcoholic beverages and pet food.

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## **U.S.-EC MEAT HORMONES TASK FORCE RECOMMENDATIONS**

The United States and the Commission of the European Communities approved recommendations of the U.S.-EC Hormones Task Force to:

- Establish an interim measure to provide an opportunity for trade in non-hormone-treated bovine meat;
- Review progress made by the task Force before June 15, 1989; and
- Instruct the Task Force to pursue further discussions beyond the 75-day period prescribed in its mandate, in order to address aspects of trade not covered by the interim measure.

Under the interim measure, U.S. producers who wish to export meat not treated with hormones to the European Community may enter into a commercial arrangement with the EC which will enable them to ship such meat. In this connection, EC officials will inform producers of specific requirements that they must meet and will establish a monitoring system to ensure that producers agreeing to participate in the program adhere to these requirements.

A full 85 percent of U.S. meat exports to the EC have been "variety meats"—items such as livers, tongues and kidneys. The majority of trade in these products will not be covered by the interim measure.

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